



HB 549 Rep. Fred Anderson
Authorizing establishment of public charter schools
Chapter: 510 Effective Date: July 1, 2023

HB 549 Establishes the Public Charter Schools Act.

HB 549 states that it is the intent of the legislature “to create innovative and high-performing public charter schools under the general supervision of the Board of Public Education and under the supervision and control of trustees of the governing board who are elected by qualified electors in the community where the charter school is located.” HB 549 states that it is the intent of the legislature “to create innovative and high-performing public charter schools under the general supervision of the Board of Public Education and under the supervision and control of trustees of the governing board who are elected by qualified electors in the community where the charter school is located.”

The bill defines two types of public charter schools:

- A public charter school is a school established within a K-12 public school district and governed by the local board of trustees.
- A public charter school district is formed within a K-12 public school district with the boundaries of the public charter school district removed from the territory of the located school district with a governing board other than the local school board.

Section 4 of the bill identifies the responsibilities of the Board of Public Education (board) to include solicit, evaluate, approve, or deny new charter schools based on a series of criteria for improvement of instructional opportunities. The board is required annually on or before December 1 to publish a report on the state’s public charter schools to include a comparison of the performance of public charter school students and non-charter school students as well as the board’s assessment of successes, challenges, and areas for improvement. Additional consideration is to include the board’s opinions for sufficiency of charter school funding.

Section 5 of HB 549 outlines the public charter school proposal process to include criteria to guide the board’s decision along with an executive summary, mission and vision, demographic information as well as descriptions of the offerings and other information. This section also describes that if the applicant is not a local school board, the applicant proposal, must include that the applicant asked the local school board to create a school or program within the located school district that would serve the mission and vision of the proposed public charter school and the local school board declined the proposal. This proposal must include a legal description of the property of the existing school district from which the boundaries of the charter school are proposed to be formed.

The terms of a charter contract are defined to include 5-year time spans, as well as details on performance, signatures, approval for operation, and other requirements.

The bill further describes the governing board, elections, and terms to include the board's composition number of members and term length limits, and the availability of the formation of an advisory committee.

Section 8 describes students to be enrolled in the public charter school within the state, limitations on admissions, enrollment preferences, a non-discrimination clause, the identification of the need for a lottery in association with capacity limitations, and a lack of restriction acknowledgment. Public charter schools must be open to any students residing in the state as limited by these guidelines. HB 549 describes the charter school's performance and renewal to include a listing of performance indicators, standards, and performance targets. It is stated that the performance framework must include the BPE's approval and that the board will collect and analyze data from each charter school. It is further indicated that the BPE shall monitor performance and legal compliance of each public charter school. Publication of data will be created, and information published in reference to these public charter schools. The board may act for correction and revocation of charters upon certain situations as well as non-renewal.

Section 10 describes the charter's contract revocation and school closure or charter contract nonrenewal reasons, actions, and procedures.

HB 549 defines the public charter school operation and autonomy stating that the entity must be a nonprofit organization and that the public charter school will be subject to the provisions of Montana Code Annotated Title 20 to include local rules, regulations, or policies. Public charter schools may not be formed in class three districts in accordance with sections 20-6201, & 20-6-301, MCA, unless the applicant is the local school board.

A public charter school is to be identified as a separate Local Educational Agency (LEA) and must meet the requirements as such.

Public charter schools are required to be equipped to handle the terms of the charter contract outlined in HB 549 and may not engage in sectarian practice and are subject to civil rights, health, and safety requirements like that of all other public schools with certain exceptions.

Employees of public charter schools are to have the same rights and privileges as other public-school employees with certain exceptions outlined in HB 549.

Public charter schools are subject to all federal laws and authorities per HB 549.

Section 12 of HB 549 states that the legislative intent of funding public charter schools is for a public charter school to receive operational funding on a per-pupil basis that is equitable with the per-pupil funding of the located school district.

A public charter school, governed by a local school board, is to receive funding through the current school funding formula plus a basic entitlement if it meets the criteria stated in the bill for number of ANB for a basic entitlement.

It is defined that when a public charter school is operated by a local school board, the public charter school must be considered a separate budget unit of the located school district, must have ANB calculated separately from other budget units of the district, and must receive a basic entitlement calculated separate from other budget units in the district. The minimum and maximum amount of public funding allowed for a public charter school is to include the following from K-12 public school funding formula components:

- 80% of the basic entitlement if the public charter school ANB is greater than:
 - 70 elementary ANB
 - 20 middle school ANB or o
 - 40 high school ANB.

When a public charter school district is operated by the governing board, funding for the public charter school district must be distributed as BASE aid. The minimum and maximum amount of public funding allowed for a public charter school district is to include the following from K-12 public school funding formula components:

- 80% of the basic entitlement, if the public charter school ANB is greater than:
 - 70 elementary ANB
 - 20 middle school ANB or
 - 40 high school ANB
- 80% of the total per ANB entitlement
- 100% of the total quality educator payment
- 100% of the total at-risk student payment
- 100% of the total Indian education for all payment
- 100% of the total American Indian achievement gap payment
- 100% of the total data for achievement payment
- 140% of the special education allowable cost payment.

The bill directs in Section 12 that public charter school district funding will be distributed as BASE aid which is assumed to be as directed in 20-9-344, MCA.

Students attending public charter schools are subject to out of district attendance agreements. Public charter schools are subject to annual reporting as described in section 20-9-213, MCA. A public charter school district is prohibited from charging tuition and fees.

Debt obligations of a public charter school are the sole responsibility of the public charter school. Public charter school amounts will be funded with state and local levy funds. These amounts will be directed to the public charter schools from the school district funds and not directly from the state excepting new basic entitlements created through the formation of public charter schools that meet or exceed the limitations for the creation of an additional basic entitlement. In these situations, the state cost will be 44.7% of the basic entitlement.

Transition and effective dates language is provided for applicability to FY 2024 and that public charter schools may be operational beginning in FY 2025.